

# Schuyler's Eight Housing Strategies

## *Progress Assessment* Results

- Implementation Score
- Comments
- Recommended *Actions* →

March 11, 2010

*Facilitated by the*  
**Schuyler Development Company**

Schuyler DEVELOPMENT.net

# ***Progress Assessment***

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# *Progress Assessment*

On March 11, 2010, consultants were invited to Schuyler to assess the community's progress in implementing the **Eight Housing Strategies** prioritized at the 2006-2007 Schuyler Community Housing Conference.

## Scoring Template

- 5 = Excellent Progress
- 4 = Significant Progress
- 3 = Notable Progress
- 2 = Some Progress
- 1 = Marginal Progress
- 0 = No Progress

## **RESULTS**

### Eight Housing Strategies

	<u>Implementation Score</u>
• Acquisition / Rehab / Resale	3.0 (Notable Progress)
• Homeowner Education	2.7 (Some Progress)
• Community Housing Development Organization	2.7 (Some Progress)
• Infill Site Acquisition & New Construction	2.6 (Some Progress)
• Demolition of Dilapidated Structures	1.4 (Marginal Progress)
• Property Maintenance Standards Program	1.3 (Marginal Progress)
• Finance Consortium	1.1 (Marginal Progress)
• Rental Rehabilitation	0.9 (No Progress)

**Community Score: 39.3%**

Schuyler's community score for the overall implementation of the eight housing strategies during the past three years was **39.3%** out of 100%.

# Summary - Comments & Recommended Actions

## Comments:

- Schuyler's challenge is large but progress is being made and housing improvements are happening – do not lose focus at this critical point. Overall, Schuyler is moving in the right direction. Impressed with the cleanliness of the community as compared to three years ago.
- Schuyler's "housing gridlock" will continue to impact new housing starts for entry level buyers and is stagnating Schuyler's future economic growth.
- The 2006 Housing Assessment Study remains a valid and credible document. All eight housing strategies are important. Continue to form and expand partnerships - put major focus on the successful implementation of the eight housing strategies.
- Evident there's a need for new single family housing and a need to improve the existing housing stock. The health and safety of all residents remains a housing priority for every community.
- During the Community Forum, employers voiced the need for market rate apartments / rental housing to help with their new employees (professional / management) transitioning to property ownership and permanent residency in Schuyler.
- Additional rental units are needed and creative ways to improve the condition of existing rental units should be evaluated to help ensure structures are safe for tenants.
- Since 2007, the partnership between NeighborWorks<sup>®</sup> and Schuyler has resulted in: five Purchase/Rehab/Resell houses, two infill new constructions, and one dilapidated demolition replaced by a new house.
- Noticed two properties with trampolines next to street; also, some detached garages and sheds were not maintained with the same pride as the home. These are examples of existing conditions which detract from surrounding residential properties and lowers property values.

## Comments (continued):

- Homebuyer Education for Schuyler residents is provided in Columbus by NeighborWorks® Northeast Nebraska.
- Based on limited information, little to no progress has been made with Property Maintenance Standards, Rental Rehabilitation, and Finance Consortium. Not enough specific information to comment on all eight strategies.
- The Consultant/Community meeting brought to the forefront some major issues. Not one person or one entity is able to effectively address these issues; it takes a committed effort on the part of the City, individuals, businesses and school to partner with the housing industry including the Housing Consultants, local realtors, lenders, title companies, etc. There was a good cross-section of these individuals in attendance at this meeting and it is evident that though there may be some dissension on the housing priorities, everyone agreed the housing issue needs to be more effectively addressed. Remain united, focused and committed to implementing the eight housing strategies.
- NeighborWorks® and Northeast NE Economic Development District can access funds critical to appropriate intervening in the housing market. These funds could help create potential first-time homebuyers for the entry level houses as well as to generate upward movement opportunities for existing residents to purchase/construct newer or bigger housing units.
- Private builders should do as much of the work as possible, allowing them to tap the resources for down payment assistance on homes they build to help make homes more affordable to the entry level buyer.
- Appears there's a severe lack of genuine participation from the Hispanic community in addressing housing needs. Hispanic leadership has evolved in the community – encourage their participation in taking ownership in helping to resolve housing issues. There may be an undercurrent of resistance with some local residents that “if we do not build it, they will not come”. Therefore, the “un-welcome mat” may still be an issue to work through. (Lexington may be a community resource).

## Comments (continued):

- Community leaders are commended for getting Schuyler citizens involved with their housing challenge. Recognized a change in attitude with the people attending the public forum - they really do want to see their housing needs met. There have been significant steps forward in showing the community the need and benefits in coordinating a housing plan.
- The structure and role of a CHDO may be misunderstood. NeighborWorks® Northeast NE is a CHDO (Community Housing Development Organization).
- An exclusive CHDO (*a specific type of nonprofit established under federal legislation that also created the HOME program in 1992; 1/3 board membership representing LMI persons and no more than 1/3 public officials;*) is likely hard to realize just for Schuyler. Most CHDO's are now well established, regionally-based in their development footprint and are already designated by DED. Affiliating with and inviting NeighborWorks® into the community is a strong first step, but perhaps over time they will be seen by local contractors (if not by some now) as an interloping outside developer that is too subsidized with tax payer money and that no builder can compete.
- NeighborWorks® is doing a great job in Schuyler – additional help in Schuyler is needed. Explore opportunities for expanding housing partnerships.
- NIFA and Rural Development guaranteed loans in Schuyler have shown an increase in volume for each of the past four years.
- Partnering with NeighborWorks® Northeast Nebraska has been an efficient, cost effective and productive collaboration in accessing funding and obtaining construction/development capability.
- Several community members stressed a perceived need for basic education on maintaining and caring for a home (either as a tenant in a rental or as a homeowner). It was indicated that there is a LIFE SAFETY issue due to over-crowding that is prevalent in the community. Education is a critical component in dealing with these issues.

## Comments (continued):

- Referencing the Finance Consortium strategy, several lenders participated at the community meeting. Their presence demonstrates an interest and commitment to the community. Only marginal collaboration seems to exist presently. Shared risk by community banks has been successfully deployed in various communities across Nebraska. Such pooling and risk sharing arrangements have been used to attract private capital/developers.
- While not meeting the stated goals of the 2006 Housing Study, 20 homes in three years (within a two mile radius) would be considered more than a modest start / turn around for many communities in Nebraska.
- The community needs to continue being proactive and go after assistance from various entities.
- One house demolished and replaced with new construction is progress.
- Employers continue to have unmet housing needs. Local builders have been reluctant to capitalize on the unmet demand.
- The 2006 Housing Assessment Study and Strategy Plan is complete. Next step would be to dig into what is causing the housing gridlock that normally is resolved by the market forces of supply and demand.
- An eventual new local or county-wide nonprofit Community or Housing Development Corporation or naming an established local nonprofit development entity is a useful goal to accomplish housing and could tap much of the same federal and state resources, but more importantly be home-grown and supported. Great example is Aurora (contact Mike Bair, City Admin).

## Recommended Actions →

*Action* → Forming a Housing Leadership Team (HLT) or task force would be a logical and appropriate next step toward building local capacity in supplementing current efforts to sustain Schuyler's long-term growth and economic development.

Housing Leadership Team (HLT) supported by the Mayor in collaboration with the Schuyler Development Company (SDC) would be the next step.

HLT would have a life of 60-90 days maximum and be disbanded after presenting its written report to the Mayor / City Council.

HLT tasks:

- 1) advisory opinion on ***Progress Assessment*** Results (Score, Comments and Recommend *Actions* →)
- 2) methods or process to strengthen community consensus on eight housing strategies thereby reducing any dissension
- 3) determine if a permanent community task force or housing commission should be established

*Action* →

NeighborWorks<sup>®</sup> Northeast NE has offered to take responsibility for the oversight of an employee that could be hired to lead the charge with housing in Schuyler. A 'Housing Coordinator' would work under the umbrella of NeighborWorks<sup>®</sup> and be a liaison to the City Council, SDC, Chamber and the community. Excellent opportunity to learn from the expertise of NeighborWorks<sup>®</sup>. Housing Coordinator would be needed for a minimum of two years. Blended financing, including financial support from larger employers, would be necessary.

*Action* →

Schuyler competes with Columbus - needs to adopt Multiple Listing Service (MLS). MLS is a proven tool helpful to both sellers and buyers – especially when marketing above average valued homes and trying to recruit out of town folks as potential new residents.



*Action* →

Conducting regular meetings with all ethnic groups is very important and one of the first actions the new Housing Coordinator should do. Educate what's available for building / buying a home, housing aid, loan / payment information, etc. Like housing facts101. Interpreter may be required. It would play a very important part in finding out what's keeping residents from buying / building newer and larger homes? Treat this like a process improvement project - get the facts! What are their interests, fears, concerns, dreams, etc.? Dig into what drives different ethnic groups.

*Action* →

Additional encouragement to Cargill to be proactive as a resource for home buyer and financial literacy education by offering classroom space for 'lunch & learn' opportunities (if feasible) or potential matching funds for Individual Development Accounts ( IDA ) established for their employees to save for down payment.

*Action* →

Local employers should be approached and encouraged to promote and / or facilitate the wider availability of Homeowner (Tenant) Education...perhaps in a partnership with a new RentWise affiliate. Financial literacy (bi-lingual) would be beneficial.

# Appendix

## *Progress Assessment*

# ***Progress Assessment***

## **Agenda**

**Date: March 11th, 2010**

**Location: Gene's Restaurant (basement) Schuyler NE**

Consultants' assessment of the community's progress with implementing the eight housing strategies recommended at the 2006 -2007 Schuyler Community Housing Conference.

### **Gene's Restaurant:**

**12:30 p.m.** ~ lunch hosted by the Schuyler Development Company

**1:05 p.m.** ~ housing information update / Consultants' discussion

**2:45 p.m.** ~ self-guided tour of Schuyler

### **St. John's Lutheran Church ( 821 Denver Street )**

**3:30 p.m.** ~ Consultants meet with community and corporate leaders for a forty-five minute information exchange providing an assessment of the progress with implementation of eight housing strategies

**4:15 p.m.** ~ Quarterly Community Forum ( feedback to public )

**4:45 p.m.** ~ Consultants depart ( *Thank You* )

- > ***In order to support Schuyler's future economic growth, the housing supply must be expanded.***

### **Schuyler's Opportunity ♦**

- ♦ Become a stand alone '*premiere bedroom community*' for area employers.

### **Situation:**

Schuyler's housing situation is a paradox - accentuated by a strong regional economy, the city has plenty of demand but relatively little production.

### **Solution:**

- ~ Schuyler needs to develop the '***capacity***' to consistently produce sufficient housing.

### **Challenge:**

- ~ Root cause of Schuyler's housing challenges is '***below average property values***' for its region.

- > ***The importance of Schuyler's appearance and the image it projects cannot be overemphasized.***

## Schuyler Community Housing Conference

**Situation:** “*In order to support future economic growth, the housing supply must be expanded.*”

November 15<sup>th</sup>, 2006 - “*call to action*”

- ***Housing Consultants*** ( 10 *Consultants* attending ): NIFA, DED, USDA-RD, Aquila, Loup Power, NeighborWorks Northeast NE, RDG Planning & Design, NENEDD
- ***Community Representatives*** ( 20 *Community Reps* attending ): City of Schuyler, City Council, SDC, Chamber of Commerce, Cargill, Planning Commission, Schuyler Community Schools, Housing Authority, Pinnacle Bank, FNB, Senior Center
- **Phase I** Recommendations ( see **Housing Assessment**, Sep ‘06 @ [SchuylerNebraska.net](http://SchuylerNebraska.net) ):
  - **Community Housing Development Organization**
  - **Acquisition / Rehab / Resale**
  - **Infill Site Acquisition & New Construction**
  - **Homeowner Education**

March 28<sup>th</sup>, 2007 ( **Part 2** ) - “*taking action*”

- ***Housing Consultants*** ( 10 *Consultants* attending ): NIFA, DED, USDA-RD, Aquila, Loup Power, NeighborWorks Northeast NE, RDG Planning & Design, NENEDD
- ***Community Representatives*** ( 19 *Community Reps* attending ): City of Schuyler, City Council, SDC, Cargill, Planning Commission, Housing Authority, QC Supply, Pinnacle Bank, FNB, Schuyler Lumber, Utilities Dept
- **Phase II** Recommendations (see **Housing Assessment**, Sep ’06):
  - **Finance Consortium**
  - **Property Maintenance Standards Program**
  - **Rental Rehabilitation**
  - **Demolition of Dilapidated Structures**

**Solution:** Schuyler needs to develop the ‘*capacity*’ to consistently produce sufficient housing.

## 2006 – 2009

	<u>Schuyler</u>	<u>Two Mile</u>	<u>TOTAL</u>
# of New Residential Units	8	12	20
Speculative	7	0	7
Contracted	1	12	13

### 2006 Housing Assessment and Strategy Plan:

Schuyler will need to construct 597 units over the next 15 years or approximately 40 units annually to address both the shortfall in housing construction and future demand.

	<u>Percent (%) of Need</u>		
40 units (x) 3 yrs = 120	7%	10%	17%
20 units (x) 3 yrs = 60	13%	20%	33%

### Consequence:

Schuyler continues to be under served in new residential construction negatively impacting its economic growth.

# **2009 - 2010 Schuyler Housing Production Program**

## **----- GUIDELINES -----**

### **Part I      *Acquisition - Demolition – Rebuild***

- owner gifts property / house to *NeighborWorks Northeast Nebraska*
  - title is clean / free / clear ( no liens / no assessments )
  - title transfer costs paid by property owner
  - value of the lot forfeited by the property owner
- property must be out of flood plain, located within the city limits and serviced by existing infrastructure ( paved street, sewer, water )
- house is vacant; priority consideration given to nuisance properties
- a signed **Memorandum Of Understanding ( MOU )** shall be the document defining the relationship between the **City of Schuyler** and *NeighborWorks Northeast Nebraska* for each gifted property
- LB 840 ( *SEDPlan* ) funding available to reimburse *NeighborWorks* for costs incurred in the demolition of house and site preparation ( \$15,000 maximum per gifted property )
- prior approval by the **City Council** of estimated costs for house demolition and site preparation required of *NeighborWorks*
- **City Council** approves all reimbursement requests
- upon completing site preparation, *NeighborWorks* builds a new house on the prepared site within 12 to 18 months
- priority consideration for local labor and suppliers
- connection fees waived by the Department of Utilities
- Benefits:
  - adds to Schuyler's new housing stock
  - helps to revitalize neighborhood
  - creates local employment opportunities
  - Housing Program strengthens partnership with *NeighborWorks*
  - investment recovered thru future property taxes
- 2009-2010 Fiscal Year Budget ( **Part I & II** ) is \$15,000
- **Part I** aligned with the **Recommendations** prioritized at the *Schuyler Community Housing Conference* ( 2006 – 2007 )
- **Schuyler Housing Production Program** reviewed annually.

# 2009 - 2010 Schuyler Housing Production Program

## - - - - GUIDELINES - - - -

### Part II    *Infill Site Acquisition & New Construction*

- LB 840 ( SEDPlan ) funding available for reimbursement to *NeighborWorks Northeast Nebraska* for costs incurred in purchasing an infill site and the site's preparation for new construction
- a signed **Memorandum Of Understanding** ( **MOU** ) shall be the document defining the relationship between the **City of Schuyler** and *NeighborWorks Northeast Nebraska* for each infill site
- infill site ( vacant lot ) must be out of flood plain and located within city limits
- vacant lot serviced by existing infrastructure ( paved street, sewer, water )
- when financially practical, priority consideration to older / established neighborhoods for new construction
- prior approval by the **City Council** of estimated costs for site acquisition and site preparation required of *NeighborWorks*
- \$15,000 maximum per infill site
- **City Council** approves all reimbursement requests
- *NeighborWorks* will begin construction of a new house on the infill site ( vacant lot ) within 12 to 18 months of its acquisition
- priority consideration for local labor and materials
- connection fees waived by the Department of Utilities
- Benefits:
  - adds to Schuyler's new housing stock
  - helps grow neighborhood
  - creates local employment opportunities
  - Housing Program strengthens partnership with *NeighborWorks*
  - investment recovered thru future property taxes
- 2009 - 2010 Fiscal Year Budget ( **Part I & II** ) is \$15,000
- **Part II** aligned with the *Recommendations* prioritized at the *Schuyler Community Housing Conference* ( 2006 – 2007 )
- **Schuyler Housing Production Program** reviewed annually.



## 2006 Low to Moderate Income Survey

### Schuyler NE

- 2006 LMI Survey expires at the end of the year ( 2010 )
- 73.03% LMI ( 2006 Survey )
- 2006 LMI Survey can be the basis for all CBDG applications through the end of 2010
- unless a new LMI survey is completed before the end of the year, on 01-01-11, Schuyler reverts back to the 2000 census LMI
- 40.6% LMI ( 2000 census )

# RESOURCES @ Schuyler **DEVELOPMENT**.net

- > [Executive Summary – 2006 Schuyler Housing Assessment](#)
  
- > [2010 Nebraska Housing Study](#) ( Colfax County Profile )